

SECRET

Approved For Release 2005/11/21 : CIA-RDP74B00535R000100190002-2

AGENDA
AGENCY CONTRACT REVIEW BOARD CONFERENCE

1 - 2 MARCH 1971

25X

I. Morning of 1 March 1971

- A. Remarks by Chairman
- B. Review of ACRB Background Paper

----- Break -----

- C. Examination of ACRB Present Charter and Proposed Revision

25X

- D. Introduction of Specific Policy/Procedural Issues

----- Lunch -----

II. Afternoon of 1 March 1971

Discussion of Additional Items of Board Interest

1. How can the Board best insure a meaningful mandate from---and appropriate senior-level support by---top management?
2. To what extent and for what purposes should the Board's proceedings and findings be disseminated within the Agency?
3. Is "need to know" a problem in case presentation and Board deliberations and, if so, how can it be corrected?
4. Should there be more definitive criteria and/or guidelines with respect to the assignment, duty tour, and rotation of Board members?
5. Is the current docket format adequate to the Board's needs and, if not, what changes should be made?
6. Should the Board establish a fixed schedule of meetings irrespective of whether or not there are specific cases to be discussed and, if so, what does the Board believe the frequency of these meetings should be?

SECRET

SECRET

Approved For Release 2005/11/21 : CIA-RDP74B00535R000100190002-2

7. Are there any types of items and/or cases not now considered by the Board which should be made a matter of Board responsibility and review?
8. While the Board is by charter advisory to the Director of Logistics, does the Board feel that there should be any special or more direct relationship between the Board and other Agency elements, i.e., O/PPB, in the project-approval process?
9. What suggestions does the Board have with respect to making its recommendations more susceptible of speedy approval and meaningful implementation?
10. Does the Board feel that "sole-source procurement" should be the subject of special study by the Board with a view toward providing more specific guidance to Agency contracting officers?

Note: These subjects are not listed in any order of priority. The order in which they and/or additional items raised by Board members will be addressed will be determined by Board consensus.

SECRET

SECRET

III. Morning of 2 March 1971

- A. Indepth Discussion of the Specific Policy/Procedural Issues Introduced at the Conference Opening
- B. Formulation of Board Conclusions and Recommendations Re:
 - 1. Specific Issues
 - 2. Additional Items of Board Interest

----- Lunch -----

IV. Afternoon of 2 March 1971

General Wrap-up Including Discussion on:

- 1. The advisability/desirability of the preparation of a ACRB handbook which would define its mission and functions, set forth its history, and provide an appropriate compilation of procedural guidelines for personnel charged with responsibilities in or related to Agency procurement activities.
- 2. The advisability/desirability of a briefing (or periodic briefings) to Management on the ACRB.
- 3. The advisability/desirability of future ACRB conferences.

SECRET

~~SECRET~~

BACKGROUND PAPER

AGENCY CONTRACT REVIEW BOARD

~~SECRET~~

Excluded from automatic
downgrading and
declassification

SECRET

AGENCY CONTRACT REVIEW BOARD

PURPOSE

1. The purpose of this paper is to present background information and comment which may be of assistance in focusing on the role of the Agency Contract Review Board (ACRB).

BACKGROUND

2. By memorandum, dated 26 April 1967, the Executive Director-Comptroller authorized the Director of Logistics "... to establish a Contract Review Board composed of one member nominated by each of the four Deputy Directors and chaired by a nominee of his choice. The Board will act in an advisory and recommending role to the Director of Logistics in his role as the member (senior) Agency Contracting Officer. He will develop, in consultation with the nominated Board members, a statement of responsibilities and submit it to the Deputy Director for Support for approval prior to the Board's being officially convened." (Attachment 1)

3. The first meeting of the ACRB took place on 1 June 1967. The Deputy Director of Logistics (DD/L) presented the following documents for review and comment:

Organizational Concepts and Questions (Attachment 2)
Criteria for Board Contract Review (Attachment 3)

4. On 8 June 1967, the Board convened and comments on the draft of ACRB Organizational Concepts and Questions were presented. The Board's consensus was:

- a. The scope of responsibilities and authorities was too broad and too substantive;
- b. The Board should review and recommend on the contractual aspects of procurement only;
- c. The Board should remain completely divorced from any command channels, including commenting on the manner of performance of contracting personnel; and

SECRET

SECRET

d. The scope of responsibilities and authorities should be narrowed (Attachment 4).

5. A revised draft of the Board's responsibilities and authorities was presented to the Board on 15 June 1967 (Attachment 5). The Board failed to give unanimous approval to the revised draft. The difference of opinion was reduced to the following issue:

"Whether the Board's existence is primarily to concern itself with a contract-by-contract review as opposed to an Agency-level forum which will do the contracting review per se, but will also reflect to the Director of Logistics and higher authority impressions, opinions, and observations as to how well the overall procurement, in its broadest sense, is accomplished within the Agency." (Attachment 6)

6. The revised draft of the Board's responsibilities and authorities was presented again on 22 June and was unanimously approved. The draft was subsequently approved by the DD/S and published as [REDACTED] (Attachment 7).

25X

7. The foregoing is set out to evidence the basic philosophic dilemma the Board has experienced since its inception, i.e., the conflict of contract-by-contract review versus the "overview" of Agency procurement with a view toward recommending broad policy to the Director of Logistics.

8. The ACRB officially commenced operations on 1 September 1967. Since that date, the ACRB has processed a total of 203 agenda items. Included in the total are approximately 70 cases which were reviewed twice, i.e., prior to negotiation and subsequent thereto.

9. A review of the cases demonstrates that the Board involves itself in many of the details of cost analysis and negotiation preparation, e.g., expense rates, travel costs, and choice of contract (Attachment 8).

10. The Board has also focused on several broader aspects of the procurement process and contract management, and the following studies have been completed:

Overhead Overruns - by adhoc committee under Chmn/ACRB

Late Funding - by Chmn/ACRB

Overruns and Changes in Scope in R&D Contracts - by SA-DD/S&T

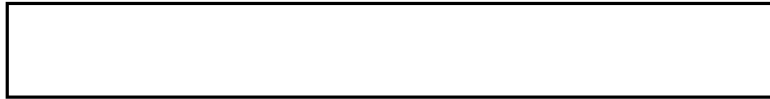
[REDACTED] Contract History - by PD/OL

25X1

SECRET

SECRET

The DD/S&T member authored two commendable studies on specific contracts and the problems contained therein:



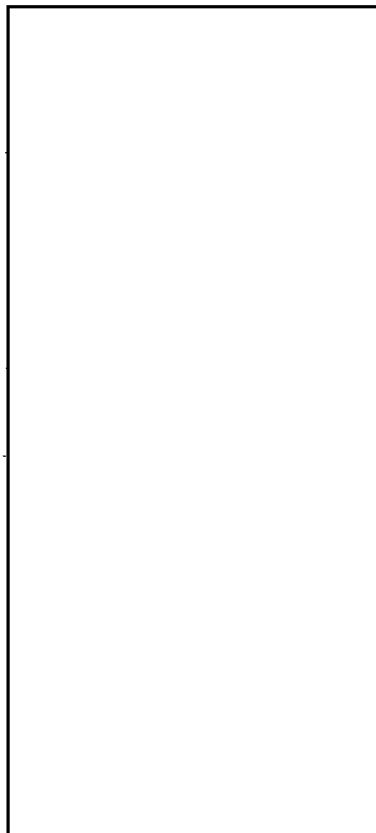
25X

11. The Board has not acted in the following areas of its Charter:

Appraisal of Agency Procurement Structure
Organizational Changes
Procurement Team Support
Interagency Procurement Relationships
Informational Requests

It should be noted for the record that although these responsibilities remain in the ACRB Charter, many of these functions are now being accomplished through the Procurement Policy Panel and the Procurement Management Staff, OL (Attachment 9).

12. The Board has reviewed several complex cases and has attempted to resolve difficult policy issues with a view toward establishing a modus operandi applicable to "given situations" or cases of a particular category, e.g.:



Function of a Letter Contract
Timeliness of the Procurement Process
Interface of the Project Officer and the
Contracting Officer

Contractor Management

Function of a Letter Contract
Timeliness of the Procurement Process
Project Management

Sole Source versus Competition
Cost Detail

Sole Source versus Competition
Conflict of Interest

Competition on First Follow-on Production

Agency acceptance of contractor's IR&D Expense
and Royalty Free License

25X1

SECRET

13. Although its procedural guideline has not been formally amended, the Board's method of operation has, in fact, undergone change in the following areas:

a. The original instructions to each Directorate require ACRB review at two points in time:

(1) (Procurement Request Review) When a procurement (contract) action is issued, it was to be routed to the cognizant contracting officer via the Board, and

(2) (Contract Review) When the procurement (contract) action had been negotiated and the proposed contract was drafted and ready for signature (Attachment 10).

At present, the contracting officer notifies the Board when he has a procurement (contract) action which requires Board review prior to negotiation.

b. The original instructions to each Directorate state that the Board's staff officer would "brief the facts and issues of each case and furnish copies thereof to each Board member and permanent advisor." At present, the cognizant contracting officer prepares the facts and issues of his case and usually appears before the Board to answer any questions that may be raised.

14. In mid-1969, the Director of Logistics proposed that the ACRB's Charter be issued as a Headquarters Regulation. However, reorganization of procurement activities and reorganization within the Office of Logistics dictated the advisability of deferring action on this proposal. There is now a proposed Headquarters Regulation (Attachment 11) which would increase the Board's responsibilities and authorities in the following areas:

a. Adds prototype and first follow-on production of items developed during a research and development effort, and

b. Adds the requirement for ACRB review when collective overruns reach a predetermined level.

The Board's responsibilities in the following areas would be abolished:

- a. Appraisal of Agency Procurement Structure
- b. Organizational Changes
- c. Procurement Team Support
- d. Procurement Studies
- e. Interagency Procurement Relationships

ISSUES

The following issues are offered for consideration:

1. To what level of detail should the Board direct its review of a case?
Specifically:

a. Should the Board review details such as expense rares and travel costs except at the express request of the contracting officer who may be seeking "experienced guidance?"

b. Would the Board better serve its purpose by limiting its review to broader questions, e.g.:

Sole Source versus Competition
Contractor Management
Agency Contract Management

2. Would a greater objectivity in case presentations be achieved if the Board were to return to the earlier established procedure of having its staff, as opposed to the contracting officer, prepare an independent brief of the facts and material issues for Board review?

3. Should the Board's recommendations of each case reviewed be reduced to writing prior to the adjournment of the Board?

4. Should the Board establish a mechanism to review cases subsequent to contract completion in order to gauge the effectiveness of the procurement process?

5. What function should the Board play in the determination of Agency contracting policy, e.g., adherence to the Armed Services Procurement Regulation?

25X1 6. Does the Board agree to the narrowing of its responsibilities and authorities, as set forth in the proposed (Attachment 11 to the ACRB background paper)? If not, what changes would the Board suggest be made?

7. Assuming the Board accepts the more limited scope of responsibilities and authorities, i.e., to review proposed contracts, scope changes, and overruns which meet specific criteria, is the present composition of the Board effective to properly develop those responsibilities, or would the Director of Logistics be better served by a Board composed of individuals having substantive knowledge of existing Agency procurement policies and procedures?

SECRET

Questions Reviewed by the
Agency Contract Review Board

	<u>Frequency</u>	<u>Future Review</u>
1. Agency Management Approvals	2	No
2. Certificate of Current Cost	3	No
3. Competition	8	Yes
4. Conflict of Interest	2	Yes
5. Contractor Management	14	Yes
6. Contract Type	24	Yes
7. Cost Ceilings	4	No
8. Cost Estimating Detail	4	No
9. CRB Review at Contract Completion	6	No*
10. D&F	2	Yes
11. Expense Rates	6	No
12. Fee	5	Yes
13. Funding Problems	1	No
14. GFP	5	Yes
15. Incentives	3	Yes
16. IR&D/Royalty Free License	12	Yes
17. Jurisdiction of ACRB	7	Yes
18. Key Personnel	2	No
19. Overrun Accumulations	2	Yes
20. Overrun vs. Change in Scope	5	Yes
21. Pre-contract Costs/Backdating	5	No
22. Project Management (Milestones/Specs)	5	Yes
23. Procurement Process - Timeliness	7	Yes
24. Rental Charges	2	No
25. Sensitivity of Scope Descriptions	2	Yes
26. Travel/Subsistence	4	No
27. Use of Government Laboratories	2	Yes

*DD/L feels this belongs with PMS/OL.

SECRET

SECRET

MANAGEMENT

25X

1. CIA CONTRACT MANAGEMENT ADVISORY BOARD

a. GENERAL

(1) The CIA Contract Management Advisory Board shall function in an advisory capacity in support of the Director of Logistics in exercising the procurement authority delegated to him by the Director of Central Intelligence as Agency Head. The Board shall review proposed contract actions and operationally approved procurement requests, as described below, and also operationally approved procurement requests which by their nature are of contractual policy, procedural, or operational significance.

(2) The Board shall not assume any operational, technological, or contractual responsibility.

b. PRIOR REVIEW OF PROPOSED CONTRACT ACTIONS

(1) The Board shall review operationally approved procurement requests, proposed contracts, or additional scope amendments individually in excess of \$150,000 valuation.

(2) The Board shall also review overrun funding amendments where individual or collective overruns exceed \$22,500 and also exceed 15% of original cost estimates.

(3) Such review of individual contracts or classes of contracts may be waived by the Director of Logistics or his designee.

SECRET

SECRET

25X

MANAGEMENT



c. APPRAISAL OF AGENCY PROCUREMENT STRUCTURE

On a semiannual basis, the Board shall report to the Director of Logistics on the discharge of its responsibilities as outlined in paragraph a(1) above. Additionally, the Board will, at the request of the Director of Logistics, Deputy Directors, or higher authority, provide its views and/or recommendations on Agency-wide procurement policies, procedures, and practices, including the procurement unit concept.

d. ORGANIZATIONAL CHANGES

Based on its general level of knowledge and experience, the Board may recommend organizational changes to the Director of Logistics, including delegations of contracting authority, assignments of functional workloads, and other appropriate matters, for accomplishment of the Agency's unique procurement needs in support of the Director's responsibilities as established by law. Proposed major organizational changes within directorates that affect the procurement function may be submitted to the Board by the Director of Logistics for its comments and recommendations.

e. BOARD COMPOSITION AND STAFF SUPPORT

(1) Members

The Board shall consist of a chairman appointed by the Director of Logistics and one representative nominated by each Deputy Director, together with assigned legal, audit, and security advisors nominated by the General Counsel, the Director of Finance,

SECRET

~~SECRET~~

MANAGEMENT



25X

and the Director of Security respectively. The Procurement Management Staff, Office of Logistics shall act as the executive secretariat and technical procurement consultant to the Board.

(2) Information Requests and Consultants

The Board, through the Director of Logistics, may request cognizant Agency units to submit informational reports covering various aspects of the Agency procurement process as reasonable and necessary for the Board's proper and enlightened functioning. Additionally, the Board may request attendance of Agency personnel at specified Board meetings to advise and consult with the Board on matters within their special expertise or knowledge. Any such request shall provide a reasonable time for such appearance and shall indicate the general scope of information or advice desired.

(3) Staff Support

It is the intent that the Board shall rely on procurement organizational units and staffs for secretarial and clerical assistance, and for staff-support reports, studies, and information.

~~SECRET~~

MANAGEMENT

25X

AGENCY CONTRACT REVIEW BOARD

1. GENERAL:

(a) The Director of Logistics is the senior Contracting Officer for the Central Intelligence Agency. To assist him in providing an overall staff supervision of the Agency research and development procurement function, he has established the CIA Contract Review Board (ACRB).

(b) The ACRB consists of senior representatives nominated by the four Deputy Directors, together with assigned legal, audit, and security advisors nominated by the General Counsel, the Director of Finance, and the Director of Security, respectively.

(c) Under procedures approved by the DD/S, the ACRB is charged with the responsibility for reviewing all Agency-funded procurements for research, development, and engineering services. In addition, it shall review prototype or first follow-on production units of equipment previously developed, when it can be reasonably demonstrated that adequate specifications or manufacturing drawings are not available to permit competitive procurement from other than the contractor who developed the equipment. The foregoing shall be reviewed when the proposed attending contracts and amendments individually exceed \$150,000 in value.

The ACRB will also review all overrun amendments concerned with the above exceeding \$22,500, and also exceeding 15 percent of the original estimated cost of the contract. A review shall also be made when collective overruns on a contract reach the amount and percentage described above.

2. PROCEDURES:

(a) Each Deputy Director will insure that all qualifying contracts (See 1.(c) above) in excess of \$150,000 are submitted to the ACRB for review in accordance with procedures established and made known by the Chairman, ACRB. This requirement also will include the described cost overruns under existing contracts.

(b) The Chairman, ACRB, is responsible for preparation of Board documentation and for subsequent presentation to the Board for their consideration. If he deems it necessary, the Chairman, ACRB, may request the involved Contracting Office and Technical Office to participate in the presentation to the Board of selected cases.

(c) In all instances, the recommendations of the ACRB will be submitted to the Director of Logistics for approval. If time factors preclude full ACRB consideration, the Chairman may unilaterally act for the Board. In such instances, the case will be given post review by the entire ACRB.

3. RESPONSIBILITIES:

(a) Each Deputy Director will obtain Executive Director Comptroller approval prior to appointment of Directorate representatives to the ACRB.

(b) The Director of Logistics, in his capacity as the senior Contracting Officer of CIA, will approve all actions of the ACRB.

(c) The Director of Logistics will appoint the Chairman of the ACRB.

(d) The Chairman of the ACRB, subject to approval of all members of the Board, is responsible for preparing and issuing those internal Board procedures determined to be necessary for efficient functioning of the ACRB.

~~SECRET~~

Comparative Analysis of Proposed Headquarters Regulation

25X1

[] CIA Contract Review Board with

25X1

[] CIA Contract Review Board

25X1

[]

[]

25X

a. General

a. General

(1) First Sentence

The CIA Contract Review Board advises and assists the Director of Logistics in exercising the procurement authority delegated to him by the Director of Central Intelligence as Agency Head.

The CIA Contract Review Board shall function in an advisory capacity in support of the Director of Logistics in exercising the procurement authority delegated to him by the Director of Central Intelligence as Agency Head.

COMMENT: No substantive change.

a(1) Second Sentence

c. Responsibilities

The Board shall review proposed contract actions and operationally approved procurement requests, as described below, and also operationally approved procurement requests which by their nature are of contractual policy, procedural, or operational significance.

(1) The Board will

(a) review operationally approved procurement requests that concern contractual policy or procedures, or that have operational significance

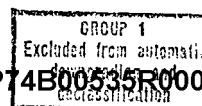
(b) review any operationally approved procurement request, proposed contract, or amendment in the scope of a contract, that exceeds \$150, 000 in valuation

(c) review overrun funding amendments when individual or collective overruns exceed \$22, 500 and exceed 15 percent of the original cost estimate

COMMENT: [] omits prefatory language.

25X1

~~SECRET~~



~~SECRET~~

25X

25X1

a(2) The Board shall not assume any operational, technological, or contractual responsibility.

COMMENT: No substantive change.

b. Prior Review of Proposed Contract Actions

(1) The Board shall review operationally approved procurement requests, proposed contracts, or additional scope amendments individually in excess of \$150,000 valuation.

COMMENT: No substantive change.

b(2) The Board shall also review overrun funding amendments where individual or collective overruns exceed \$22,500 and also exceed 15 percent of original cost estimates.

COMMENT: No substantive change.

b(3) Such review of individual contracts or classes of contracts may be waived by the Director of Logistics or his designee.

COMMENT: No substantive change.

d. Exceptions

(1) The Board will not assume any operational, technological, or contractual responsibility.

c. Responsibilities

(1) The Board will

(b) review any operationally approved procurement request, proposed contract, or amendment in the scope of a contract, that exceeds \$150,000 in valuation

c(1)(c) review overrun funding amendments when individual or collective overruns exceed \$22,500 and exceed 15 percent of the original cost estimates

d. Exceptions

(2) Prior review by the Board of proposed individual contracts or classes of contracts may be waived by the Director of Logistics or his designee.

~~SECRET~~

SECRET

25X

25X1

c. Appraisal of Agency Procurement Structure

First Sentence

On a semiannual basis, the Board shall report to the Director of Logistics on the discharge of its responsibilities as outlined in paragraph a(1) above.

COMMENT: No change in the requirement to report to the Director of Logistics.

Second Sentence

Additionally, the Board will, at the request of the Director of Logistics, Deputy Directors, or higher authority, provide its views and/or recommendations on Agency-wide procurement policies, procedures, and practices, including the procurement-unit concept.

COMMENT: No substantive change.

d. Organizational Changes

First Sentence

Based on its general level of knowledge and experience, the Board may recommend organizational changes to the Director of Logistics, including delegations of contracting authority, assignments of functional workloads, and other appropriate matters, for accomplishment of the Agency's unique procurement needs in support of the Director's responsibilities as established by law.

COMMENT: No substantive change.

c. Responsibilities

(1) The Board will

(d) report at least every six months to the Director of Logistics regarding the procurement and contract actions reviewed by the Board and such other matters deemed appropriate by the Board

c(1)(c) continued

and at the request of a Deputy Director or the Director of Logistics, provide its recommendations on Agency-wide contract and procurement policies, procedures, and practices, including the procurement-unit concept

c. Responsibilities

(2) The Board may

(a) recommend to the Director of Logistics organizational changes, including delegations of authority, assignment of functional workloads, and other changes designed to improve the efficiency of the procurement activities of the Agency

SECRET

SECRET

25X

25X1

Second Sentence

Proposed major organizational changes within Directorates that affect the procurement function may be submitted to the Board by the Director of Logistics for its comments and recommendations.

c(2)(a) continued

(additionally, proposed organizational changes may be submitted to the Board by the Director of Logistics for its consideration and recommendations)

COMMENT: [] omits words "that affect the procurement function". However, it is assumed that the Board's competence is limited to matters which affect the procurement process.

25X1

e. Board Composition and Staff Support

(1) Members

First Sentence

The Board shall consist of a Chairman appointed by the Director of Logistics and one representative nominated by each Deputy Director, together with assigned legal, audit, and security advisors nominated by the General Counsel, the Director of Finance, and the Director of Security.

COMMENT: No substantive change.

Second Sentence

The Procurement Management Staff, Office of Logistics, shall act as the executive secretary and technical procurement consultant to the Board.

COMMENT: No substantive change.

b. Organization

(1) The Board will consist of a Chairman appointed by the Director of Logistics, a representative from each Directorate appointed by the respective Deputy Director, a legal advisor appointed by the General Counsel; an audit advisor appointed by the Director of Finance; and a security advisor appointed by the Director of Security.

b. Organization

(2) The Procurement Management Staff, Office of Logistics, will act as the executive secretariat and technical procurement consultant to the Board.

SECRET

~~SECRET~~

25X

25X1

e(2) Information Requests and Consultants

First Sentence

The Board, through the Director of Logistics, may request cognizant Agency units to submit informational reports covering various aspects of the Agency procurement process as reasonable and necessary for the Board's proper and enlightened functioning.

c. Responsibilities

(2) The Board may

(b) with the concurrence of the Director of Logistics, request from any cognizant Agency unit informational reports concerning various aspects of its procurement process

25X1

COMMENT: [] insures that the Board's requests for information from procurement elements have the approval of the Operating Official.

Second Sentence

Additionally, the Board may request attendance of Agency personnel at specified Board meetings to advise and consult with the Board on matters within their special expertise or knowledge.

b. Organization

(4) Representatives from other Agency components may be invited to advise the Board on an ad hoc basis as appropriate

COMMENT: No substantive change.

Third Sentence

Any such request shall provide a reasonable time for such appearance and shall indicate the general scope of information or advice desired.

COMMENT: [] does not include equivalent provision. However, it is submitted that such an operating procedure is implicit in b(4) above.

25X1

~~SECRET~~

SECRET

25X

25X1

e(3) Staff Support

It is the intent that the Board shall rely on procurement organizational units and staffs for secretarial and clerical assistance, and for staff-support reports, studies, and information.

b. Organization

(3) The Board will rely on procurement organizational units and staffs for secretarial and clerical assistance, and for reports, studies, and other information concerning aspects of the Agency procurement process.

COMMENT: No substantive change.

SECRET

MANAGEMENT



25X

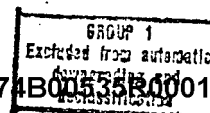
1. CIA CONTRACT REVIEW BOARD

a. GENERAL

- (1) The CIA Contract Review Board shall function in an advisory capacity in support of the Director of Logistics in exercising the procurement authority delegated to him by the Director of Central Intelligence as Agency Head. The Board shall review proposed contract actions and operationally approved procurement requests, as described below, and also operationally approved procurement requests which by their nature are of contractual policy, procedural, or operational significance.
- (2) The Board shall not assume any operational, technological, or contractual responsibility.

b. PRIOR REVIEW OF PROPOSED CONTRACT ACTIONS

- (1) The Board shall review operationally approved procurement requests, proposed contracts, or additional scope amendments individually in excess of \$150,000 valuation.
- (2) The Board shall also review overrun funding amendments where individual or collective overruns exceed \$22,500 and also exceed 15 percent of original cost estimates.
- (3) Such review of individual contracts or classes of contracts may be waived by the Director of Logistics or his designee.



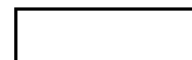
MANAGEMENT



25X

- c. APPRAISAL OF AGENCY PROCUREMENT STRUCTURE. On a semiannual basis, the Board shall report to the Director of Logistics on the discharge of its responsibilities as outlined in paragraph a(1) above. Additionally, the Board will, at the request of the Director of Logistics, Deputy Directors, or higher authority, provide its views and/or recommendations on Agency-wide procurement policies, procedures, and practices, including the procurement-unit concept.
- d. ORGANIZATIONAL CHANGES. Based on its general level of knowledge and experience, the Board may recommend organizational changes to the Director of Logistics, including delegations of contracting authority, assignments of functional workloads, and other appropriate matters, for accomplishment of the Agency's unique procurement needs in support of the Director's responsibilities as established by law. Proposed major organizational changes within Directorates that affect the procurement function may be submitted to the Board by the Director of Logistics for its comments and recommendations.
- e. BOARD COMPOSITION AND STAFF SUPPORT
 - (1) MEMBERS. The Board shall consist of a chairman appointed by the Director of Logistics and one representative nominated by each Deputy Director, together with assigned legal, audit, and security advisors nominated by the General Counsel, the Director of Finance, and the Director of Security, respectively. The Procurement Management Staff, Office of Logistics, shall act as the executive secretariat and technical procurement consultant to the Board.

MANAGEMENT



25X

- (2) INFORMATION REQUESTS AND CONSULTANTS. The Board, through the Director of Logistics, may request cognizant Agency units to submit informational reports covering various aspects of the Agency procurement process as reasonable and necessary for the Board's proper and enlightened functioning. Additionally, the Board may request attendance of Agency personnel at specified Board meetings to advise and consult with the Board on matters within their special expertise or knowledge. Any such request shall provide a reasonable time for such appearance and shall indicate the general scope of information or advice desired.
- (3) STAFF SUPPORT. It is the intent that the Board shall rely on procurement organizational units and staffs for secretarial and clerical assistance, and for staff-support reports, studies, and information.

2. PROCUREMENT OF MATERIEL AND NONPERSONAL SERVICES

a. through e. [No change]

New

f. CIA CONTRACT REVIEW BOARD. The CIA Contract Review Board advises and assists the Director of Logistics in exercising the procurement authority delegated to him by the Director of Central Intelligence as Agency Head. See for the organization and responsibilities of the board.

25X

DISTRIBUTION: AB

C-O-N-F-I-D-E-N-T-I-A-L

GROUP 1
Excluded from automatic
downgrading and
declassification

New

10. CIA CONTRACT REVIEW BOARD

a. GENERAL. The CIA Contract Review Board advises and assists the Director of Logistics in exercising the procurement authority delegated to him by the Director of Central Intelligence as Agency Head.

b. ORGANIZATION

- (1) The board will consist of a chairman appointed by the Director of Logistics; a representative from each directorate appointed by the respective Deputy Director; a legal advisor appointed by the General Counsel; an audit advisor appointed by the Director of Finance; and a security advisor appointed by the Director of Security.
- (2) The Procurement Management Staff, Office of Logistics, will act as the executive secretariat and technical procurement consultant to the board.
- (3) The board will rely on procurement organizational units and staffs for secretarial and clerical assistance, and for reports, studies, and other information concerning aspects of the Agency procurement process.
- (4) Representatives from other Agency components may be invited to advise the board on an ad hoc basis as appropriate.

c. RESPONSIBILITIES

- (1) The board will

25X1

New

- (a) review operationally approved procurement requests that concern contractual policy or procedures, or that have operational significance;
 - (b) review any operationally approved procurement request, proposed contract, or amendment in the scope of a contract, that exceeds \$150,000 in valuation;
 - (c) review overrun funding amendments when individual or collective overruns exceed \$22,500 and exceed 15 percent of the original cost estimates;
 - (d) report at least every six months to the Director of Logistics regarding the procurement and contract actions reviewed by the board and such other matters deemed appropriate by the board, and, at the request of a Deputy Director or the Director of Logistics, provide its recommendations on Agency-wide contract and procurement policies, procedures, and practices, including the procurement-unit concept.
- (2) The board may
- (a) recommend to the Director of Logistics organizational changes, including delegations of authority, assignment of functional workloads, and other changes designed to improve the efficiency of the procurement activities of the Agency (additionally, proposed organizational changes

LOGISTICS

25X

New

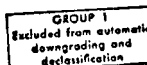
may be submitted to the board by the Director of Logistics for its consideration and recommendations);

(b) with the concurrence of the Director of Logistics, request from any cognizant Agency unit informational reports concerning various aspects of its procurement process.

d. EXCEPTIONS

- (1) The board will not assume any operational, technological, or contractual responsibility.
- (2) Prior review by the board of proposed individual contracts or classes of contracts may be waived by the Director of Logistics or his designee.

DISTRIBUTION: AB



~~SECRET~~

25X1

Comparative Analysis of [] CIA Contract Review Board
and [] CIA Contract Review Board

25X1

[]

1. General

25X1

a. The CIA Contract Review Board shall function in an advisory and recommendatory capacity to the Director of Logistics in support of his responsibilities as senior Agency official responsible for Agency-funded procurement operations.

COMMENT: [] encompasses procurements funded by other agencies.

25X1

Second Sentence

The board shall review proposed contract actions, as described below, and also operationally approved procurement requests which, by their nature, are of contractual policy, procedural, or operational significance.

COMMENT: [] omits the prefatory language.

25X1

[]

a. General

The CIA Contract Review Board advises and assists the Director of Logistics in exercising the procurement authority delegated to him by the Director of Central Intelligence as Agency Head.

c. Responsibilities

(1) The board will

(a) review operationally approved procurement requests that concern contractual policy or procedures, or that have operational significance

(b) review any operationally approved procurement request, proposed contract, or amendment in the scope of a contract, that exceeds \$150,000 in valuation

(c) review overrun funding amendments when individual or collective overruns exceed \$22,500 and exceed 15 percent of the original cost estimates

~~SECRET~~

GROUP 1
Excluded from automatic
downgrading and
declassification

SECRET

25X

25X1

Third Sentence

It shall monitor the overall effectiveness of Agency-wide procurement policies.

(d) report at least every six months to the Director of Logistics regarding the procurement and contract actions reviewed by the board and such other matters deemed appropriate by the board. . .

(2) The board may

(a) recommend to the Director of Logistics organizational changes, including delegations of authority, assignment of functional workloads, and other changes designed to improve the efficiency of the procurement activities of the Agency. . .

COMMENT: No substantive change.

1b The board's responsibilities shall be discharged without assumption of operational, technological, or contractual responsibility

d. Exceptions

(1) The board will not assume operational, technological, or contractual responsibility.

COMMENT: No change.

2. Prior Review of Proposed Contract Actions

c. Responsibilities

a. The board shall review proposed contracts or additional scope amendments individually in excess of \$150,000 valuation, or overrun-funding amendments if overrun funding exceeds \$22,500 and also exceeds 15 percent of original cost estimate.

(1) The board will

(b) review any operationally approved procurement request, proposed contract, or amendment in the scope of a contract, that exceeds \$150,000 in valuation

(c) review overrun funding amendments when individual or collective overruns exceed \$22,500 and exceed 15 percent of the original cost estimates

COMMENT: [] adds collective overruns in addition to individual overrun funding amendments.

25X1

SECRET

SECRET

25X

25X1

2b Such review of individual contracts or classes of contracts may be waived by the board with the concurrence of the Director of Logistics.

d. Exceptions

(2) Prior review by the board of proposed individual contracts or classes of contracts may be waived by the Director of Logistics or his designee.

25X1

COMMENT: [] permits the Director of Logistics to delegate authority to waive review of certain contracts or classes thereof.

3. Review of Operationally Approved Procurement Requests

c. Responsibilities

First Sentence

(1) The board will

Subsequent to operational and command program approval of procurement requests estimated to exceed \$150, 000, copies of the requests shall be forwarded to the board for its initial consideration.

(b) review any operationally approved procurement request, proposed contract, or amendment in the scope of a contract, that exceeds \$150, 000 in valuation

25X1

COMMENT: [] evidences an intent to have the Request for Procurement Services reviewed by the board prior to any action by the contracting officer.

25X1

[] combines sections 2a and 3 of [] but apparently omits the positive requirement to forward those Requests for Procurement Services which exceed \$150, 000 for initial review. There thus appears to be a need for the publication of a directive to the procurement elements if an initial review of such procurement requests is desired.

25X

Second Sentence

b. Organization

Any member, believing that such requests present unique contracting policy or substantive considerations, may request the board's approval to invite representatives of the sponsoring directorate to brief the board on the proposed undertaking.

(4) Representatives from other Agency components may be invited to advise the board on ad hoc basis as appropriate.

25X1

COMMENT: [] would permit attendance of personnel from the sponsoring directorate for briefing on a proposed procurement.

SECRET

~~SECRET~~



25X

25X1

4. Appraisal of Agency Procurement Structure

In accordance with paragraph 1, the board shall, from time to time, give the Director of Logistics its views on the overall effectiveness of Agency-wide procurement policies, procedures, and practices and the efficacy of the procurement unit concept, to include:

- a. Adherence to established Agency procurement policies.
- b. Procurement team participation in the formulation-of-requirements cycle.
- c. Audit assistance and liaison.
- d. Security assistance and liaison.

COMMENT: [redacted] language is sufficiently broad to permit appraisal of the Agency procurement structure.

25X1

5. Organizational Changes

First Sentence

Proposed major organizational changes within directorates that affect the procurement function may be submitted to the board by the Director of Logistics for its comments and recommendations.

COMMENT: No substantive change.

c. Responsibilities

(1) The board will

(d) report at least every six months to the Director of Logistics regarding the procurement and contract actions reviewed by the board and such other matters deemed appropriate by the board. . .

(2) The board may

(a) recommend to the Director of Logistics organizational changes, including delegations of authority, assignment of functional workloads, and other changes designed to improve the efficiency of the procurement activities of the Agency. . .

c. Responsibilities

(2) The board may

(a) . . . (additionally, proposed organizational changes may be submitted to the board by the Director of Logistics for its consideration and recommendations)

~~SECRET~~

SECRET

25X

25X1

Second Sentence

Based on its general level of knowledge and experience, the board may recommend organizational changes to the Director of Logistics, including delegations of contracting authority, assignments of functional workloads, and other appropriate matters, for accomplishment of the Agency's unique procurement needs in support of the Director's responsibilities as established by the Central Intelligence Agency Act of 1949, as amended, or as otherwise supplemented.

COMMENT: No substantive change.

6. Procurement Team Support

The board may recommend policies, procedures, and philosophies for facilitating action of cognizant procurement team(s).

COMMENT: No substantive change.

7. Procurement Studies

First Sentence

The board may be requested by the Director of Logistics, Deputy Directors, or higher authority to make observations and comments on the Agency's procurement processes.

c. Responsibilities

(2) The board may

(a) recommend to the Director of Logistics organizational changes, including delegations of authority, assignment of functional workloads, and other changes designed to improve the efficiency of the procurement activities of the Agency. . .

c. Responsibilities

(2) The board may

(a) recommend to the Director of Logistics organizational changes, including delegations of authority, assignment of functional workloads, and other changes designed to improve the efficiency of the procurement activities of the Agency. . .

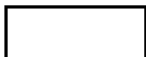
c. Responsibilities

(1) The board will

(d) . . . at the request of a Deputy Director or the Director of Logistics, provide its recommendations on Agency-wide contract and procurement policies, procedures, and practices, including the procurement-unit concept.

SECRET

SECRET



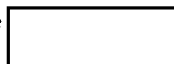
25X

25X1

Second Sentence

It shall be constantly aware of the general overall effectiveness of the procurement program and may, from time to time, furnish the Director of Logistics with its observations.

COMMENT: Concept is implicit in sections c(1)(d) and c(2) of



25X

8. Interagency Procurement Relationships

The board shall recommend policies and procedures for interagency joint or accommodation procurement. The chairman of the board shall, in the absence of any other designee for this purpose, be the Agency representative to interagency procurement boards and committees.

COMMENT: This function has been assumed by Procurement Management Staff, OL.

9. Board Advisers and Staff

b. Organization

a. Advisers and Consultants

First Sentence

The board shall be furnished legal, audit, and security advisers to participate in all board responsibilities.

(1) The board will consist of. . .
. . . a legal adviser appointed by the General Counsel; an audit adviser appointed by the Director of Finance; and a security adviser appointed by the Director of Security.

COMMENT: No substantive change.

SECRET

~~SECRET~~

25X

25X1

Second Sentence

Through the Director of Logistics the board may request attendance of Agency personnel at specified board meetings to advise and consult with the board on matters within their special expertise or knowledge.

COMMENT: No substantive change.

Third Sentence

Any such request shall provide a reasonable time for such appearance and shall indicate the general scope of information or advice desired.

COMMENT: None.

b. Informational Requests

The board, through the Director of Logistics, may request cognizant Agency units to submit informational reports covering various aspects of the Agency's procurement process as reasonable and necessary for the board's proper and enlightened functioning.

COMMENT: No substantive change.

b. Organization

(4) Representatives from other Agency components may be invited to advise the board on an ad hoc basis as appropriate.

c. Responsibilities

(2) The board may

(b) with the concurrence of the Director of Logistics, request from any cognizant Agency unit informational reports concerning various aspects of its procurement process.

~~SECRET~~

~~SECRET~~

25X

25X1

c. Board Staffing

First Sentence

Except for regular board membership, the staff shall be limited to an executive secretary to be appointed from the Logistics Career Service and secretarial and clerical assistance.

25X1

COMMENT: accommodates a recent Office of Logistics reorganization.

Second Sentence

It is the intent that the board shall rely on procurement organizational units or staffs for staff studies and staff-support reports and information.

COMMENT: No substantive change.

b. Organization

(2) The Procurement Management Staff, Office of Logistics, will act as the executive secretariat and technical procurement consultant to the board.

b. Organization

(3) The board will rely on procurement organizational units and staffs for secretarial and clerical assistance, and for reports studies, and other information concerning aspects of the Agency procurement process.

~~SECRET~~

2. PROCUREMENT OF MATERIEL AND NONPERSONAL SERVICES

a. through e. [No change]

New

f. CIA CONTRACT REVIEW BOARD. The CIA Contract Review Board advises and assists the Director of Logistics in exercising the procurement authority delegated to him by the Director of Central Intelligence as Agency Head. See for the organization and responsibilities of the board.

25X

DISTRIBUTION: AB

C-O-N-F-I-D-E-N-T-I-A-L

GROUP 1
Excluded from automatic
downgrading and
declassification

New

10. CIA CONTRACT REVIEW BOARD

a. GENERAL. The CIA Contract Review Board advises and assists the Director of Logistics in exercising the procurement authority delegated to him by the Director of Central Intelligence as Agency Head.

b. ORGANIZATION

- (1) The board will consist of a chairman appointed by the Director of Logistics; a representative from each directorate appointed by the respective Deputy Director; a legal advisor appointed by the General Counsel; an audit advisor appointed by the Director of Finance; and a security advisor appointed by the Director of Security.
- (2) The Procurement Management Staff, Office of Logistics, will act as the executive secretariat and technical procurement consultant to the board.
- (3) The board will rely on procurement organizational units and staffs for secretarial and clerical assistance, and for reports, studies, and other information concerning aspects of the Agency procurement process.
- (4) Representatives from other Agency components may be invited to advise the board on an ad hoc basis as appropriate.

c. RESPONSIBILITIES

- (1) The board will

25X1

New

- (a) review operationally approved procurement requests that concern contractual policy or procedures, or that have operational significance;
 - (b) review any operationally approved procurement request, proposed contract, or amendment in the scope of a contract, that exceeds \$150,000 in valuation;
 - (c) review overrun funding amendments when individual or collective overruns exceed \$22,500 and exceed 15 percent of the original cost estimates;
 - (d) report at least every six months to the Director of Logistics regarding the procurement and contract actions reviewed by the board and such other matters deemed appropriate by the board, and, at the request of a Deputy Director or the Director of Logistics, provide its recommendations on Agency-wide contract and procurement policies, procedures, and practices, including the procurement-unit concept.
- (2) The board may
- (a) recommend to the Director of Logistics organizational changes, including delegations of authority, assignment of functional workloads, and other changes designed to improve the efficiency of the procurement activities of the Agency (additionally, proposed organizational changes

LOGISTICS

25X

New

may be submitted to the board by the Director of Logistics for its consideration and recommendations);

- (b) with the concurrence of the Director of Logistics, request from any cognizant Agency unit informational reports concerning various aspects of its procurement process.

d. EXCEPTIONS

- (1) The board will not assume any operational, technological, or contractual responsibility.
- (2) Prior review by the board of proposed individual contracts or classes of contracts may be waived by the Director of Logistics or his designee.

DISTRIBUTION: AB